New facilities for setting up SEZs

†867. SHRI RAJ MOHINDER SINGH MAJITHA:
SHRI RAVI SHANKAR PRASAD:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Government have recently announced new facilities for setting up new Special Economic Zones;

(b) if so, the details of facilities and new facilities added recently;

(c) the estimated number of new Special Economic Zones likely to come up as result of these new facilities; and

(d) the number of units in each of the zones?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (b) The Special Economic Zones Act, 2005 (SEZ Act) and the Special Economic Zones Rules, 2006 (SEZ Rules) have been put into force from 10.2.2006. The SEZ Act and Rules provide for various fiscal incentives to the developer of the SEZ as well as the units which are likely to come up in the SEZs. All the inputs required for setting up operation and maintenance of the SEZs are exempted from levy of taxes, duties and cess. The important additional incentives, which have become available consequent to the SEZ Act coming into force, are as under:—

Incentive	Available under the SEZ Act, 2005	Incentive available prior to the SEZ Act
income tax exemption to SEZ units.	100% income tax exemption for the first 5 years, 50% for the next 5 years and 50% of the ploughed back export profit for the next 5 years	100% income tax exemption for the first 5 years, 50% for next 2 years and 50% of the ploughed back export profit for the next 3 years
Income tax to Off-shore banking units/units in International Financial Services Center.	100% income tax exemption for 5 consecutive years and 50%for the next 5 years to off-shore banking units and units in International Financial Services Center set up in the SEZs.	100% income tax exemption for 3 consecutive years and 50% for the next 2 years to off-shore banking units set up in Special Economic Zones.
Exemption from minimum alternate tax to SEZ developer	SEZ developer has been exempted from minimum alternate tax under section 115JB of Income Tax Act.	Not available.

†Original notice of the question was received in Hindi.

(c) and (d) Approval has so far been given for setting up of 117 Special Economic Zones on the basis of proposals received from private/joint sector and from the State Governments of which 7 Zones have since become functional. Since the SEZs have been approved for establishment in the private/joint sector or by the State Governments, it may not be possible to estimate the number of SEZs likely to come up or the units which are likely to be set up in each of the Zones.

Employment opportunities in SEZs

†868. SHRI RAJ MOHINDER SINGH MAJITHA:
SHRI RAM JETHMALANI:
SHRIMATI KUM KUM RAI:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that capital investment to the tune of Rs. 1 lakh thousand crores has been assessed to be made through the industrial units established in Special Economic Zones in the next three years;

(b) whether it has inter alia assessed about the creation of around 5 lakh new employment opportunities in the next three years;

(c) if so, the details thereof;

(d^ the basis on which the said assessment have been made by Government; and

(e) the details of said basis and the number of employment opportunities that will be created for specialists, trained and untrained labourers out of said 5 lakh job opportunities?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a)to(e) Investment of the order of Rs. 100,000 crores over the next 3 years in infrastructure development of special Economic Zones and in setting up of units therein, with an employment potential of over 5 lakh jobs has been estimated. This estimation is on the basis of the investment/employment potential projected by the promoters of the Special Economic Zones (SEZs) by them. No estimate has however been made of the break up of the said 5 lakh job opportunities into categories of specialists, trained, and untrained manpower.

†Original notice of the question was received in Hindi.